

SENATE BILL REPORT

SB 5411

As Reported By Senate Committee On:
Higher Education, February 5, 2007

Title: An act relating to awarding the state need grant.

Brief Description: Regarding state need grant award calculations.

Sponsors: Senators Delvin, Shin, Kilmer and Kohl-Welles.

Brief History:

Committee Activity: Higher Education: 2/01/07, 2/5/07 [DP-WM].
Ways & Means: 2/22/07.

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Shin, Chair; Kilmer, Vice Chair; Delvin, Ranking Minority Member; Berkey, Schoesler and Sheldon.

Staff: Aldo Melchiori (786-7439)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Tim Yowell (786-7435)

Background: The State Need Grant program helps the state's lowest-income undergraduate students pursue degrees, refine skills, and retrain for new careers. State Need Grants may be received for up to five years or up to 125 percent of the published length of time of the students' program. According to the Higher Education Coordinating Board (HECB), in fiscal year 2006, the program used about \$153 million in state money and \$2 million in federal money to help about 65,000 students go to college.

In computing financial need, the HECB determines a maximum student expense budget allowance. The allowance must not exceed an amount equal to the total maximum student expense budget plus the current average state appropriation per student for operating expense at the public institutions. This is called the base grant.

Students with family incomes equal to or less than 50 percent of the state median are eligible for up to 100 percent of the maximum grant. Students with family incomes between 51 and 65 percent of the state median are eligible for up to 75 percent of the maximum grant. Eligible students receive a prorated portion of their State Need Grant for any academic period in which

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they are enrolled at least half-time, as long as funds are available. Students enrolled at a three-quarter time rate, at the time of disbursement, receive 75 percent of the amount they would receive if attending full time. Students enrolled half-time at the time of disbursement receive 50 percent of their grant.

Summary of Bill: In addition to the base grant amount, the State Need Grant award may include a dependent care allowance. Base grant amounts may be less than the actual average resident tuition, service, and activities fees if the HECB finds it necessary in order to serve the expected number of students.

Proration of State Need Grant awards is modified. Students with family incomes less than or equal to 50 percent of the state's median family income still receive the maximum award and students whose incomes are greater than 50 percent, but less than or equal to 65 percent, of the state's median family income still receive 75 percent of the maximum award. Students whose incomes are greater than 65 percent, but less than or equal to 75 percent of the state's median family income receive a 50 percent of the maximum award, and students whose incomes are greater than 75 percent, but less than or equal to 85 percent, of the state's median family income receive 25 percent of the maximum award. If the student's income exceeds 85 percent of the state's median family income, he or she is not eligible for a State Need Grant.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony (Higher Education): PRO: The State Need Grant program opens doors of opportunity for many talented students. The major weakness of the program is the abrupt disqualification at 65 percent of median family income. The fiscal note contemplates full funding, but there is also some flexibility built into the awards. This will help reduce student debt.

Persons Testifying (Higher Education): PRO: Senator Delvin, prime sponsor; Loren Anderson, President, Pacific Lutheran University; Bryce McKibben, Associated Students of the University of Washington; John Klacik, HECB; Nani Jackins Park, State Board for Community and Technical Colleges.

Staff Summary of Public Testimony (Ways & Means): PRO: Student loan debt is increasing, so it is important for us to do as much as we can to help low and moderate income students with the costs of college education. We need to fully fund students who are already eligible, and raise the eligibility standard so that more are covered.

Persons Testifying (Ways & Means): PRO: Senator Delvin, prime sponsor.

Signed In, Unable to Testify & Submitted Written Testimony: PRO: Bryce McKibbon, Washington Student Lobby.